

Message Text

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ACTION EUR-12

INFO OCT-01 IO-11 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 EA-07 FRB-03 INR-07 NEA-10 NSAE-00 USIA-06

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

STR-04 EURE-00 XMB-02 INT-05 /093 W

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P R 171754Z MAR 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 1142

INFO ALL OECD CAPITALS 0080

USDEL MTN GENEVA

LIMITED OFFICIAL USE OECD PARIS 07943

E.O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: SPECIALTY STEEL CASE

REFS: A) STATE 64134, B) STATE 64133, C) STATE 64135

1. IN RESPONSE TO REFTELS, MISSION INFORMED OECD SECGEN VAN LENNEP EARLY MARCH 17 OF PRESIDENT'S DECISION IN SPECIALTY STEEL CASE AND US DESIRE FOR CONSULTATIONS IN OECD, FOLLOWING SUGGESTIONS OF REF B. MISSION ALSO REQUESTED COUNCIL BE CONVENED SAME DAY SO US COULD INFORM OTHER DELS OF THIS DIRECTLY.

2. AT COUNCIL SESSION AFTERNOON OF MARCH 17, US REP (AMBASSADOR TURNER) REPEATED FOR BENEFIT OF OTHER DELS INFORMATION GIVEN EARLIER TO SECGEN AND COPIES OF PRESS RELEASE (REF A) AND FACT SHEET (REF B) WERE DISTRIBUTED BY SECRETARIAT. VAN LENNEP WELCOMED FACT THAT US HAD REQUESTED CONSULTATIONS IN VIEW OF THE RELATIONSHIP BETWEEN THE US MEASURES AND THE TRADE PLEDGE. HE CONSIDERED IT OF UTMOST IMPORTANCE THAT CONSULTATIONS

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TAKE PLACE IN THE PLEDGE CONTEXT AND SERVE ROLE OF

HELPING AVOID ACTION WHICH COULD BE INTERPRETED AS
INFRINGEMENT OF PLEDGE AND THUS THREATEN RENEWAL.

3. OTHER DELS GENERALLY VOICED REGRET AND CONCERN
ABOUT US ACTION AND TOOK NOTE OF US REQUEST FOR CONSUL-
TATIONS, WHILE ASKING FOR CLARIFICATION OF US OBJECTIVES.
EC COMMISSION REP SAID EC INSTITUTIONS WERE STUDYING
NEW SITUATION CREATED BY US ACTIONS, WHICH THEY CON-
SIDERED NOT JUSTIFIED BY EFFECT OF EC EXPORTS TO US.
AUSTRIAN DEL NOTED LARGE FRACTION OF AUSTRIAN EXPORTS
OF SPECIALTY STEEL GOING TO US AND WONDERED WHETHER
CONSULTATIONS WOULD BE ACADEMIC EXERCISE OR TACKLE
ISSUE OF ACCESS TO US MARKET. SWEDEN STRESSED CHAIN
REACTION PROBLEM AND REGRETTED US APPEARED TO BE GIVING
LOW LEVEL OF ATTENTION TO IMPROVING COMPETITIVENESS OF
INDUSTRY AS OPPOSED TO SIMPLY PROTECTING IT. JAPANESE
DEL EXPRESSED "SHOCK" AT US DECISION, AND SAID IN GOJ
VIEW IMPORT RESTRICTIONS NEITHER NECESSARY OR JUSTI-
FIED. CANADA AND FRANCE INDICATED THEY SHARED OTHERS'
CONCERN. SWISS REP THOUGHT TRADE PLEDGE WAS IN
SERIOUS DANGER.

4. US DEL RESPONDED BY NOTING THAT US FLEXIBLE ON
PROCEDURES FOR CONSULTATIONS, OBJECTIVES OF WHICH HAD
BEEN EXPLAINED IN PRESS RELEASE. HE ASSURED OTHER DELS
OF CONTINUED US DEDICATION TO TRADE PLEDGE, AND NOTED
US DECISION WAS NOT ARBITRARY OR CAPRICIOUS BUT PRODUCT
OF LENGTHY PERIOD OF CONSIDERATION UNDER OPEN PROCE-
DURES. AMBASSADOR TURNER INDICATED THAT US DID NOT
CONSIDER ACTION INCONSISTENT WITH PLEDGE AND THAT US
WAS WILLING TO DISCUSS THIS QUESTION IN THE CONSUL-
TATIONS. FINALLY HE NOTED THAT US HOPED OTHERS WOULD
JOIN IN WORKING TOWARD ACCEPTABLE SOLUTION TO US PROB-
LEM VIA AN ORDERLY MARKETING AGREEMENT DURING NEXT
3 MONTHS.

5. REGARDING FOLLOW-UP TO US REQUEST FOR CONSULTATIONS,
COUNCIL AGREED TO SECGEN'S SUGGESTION THAT HE UNDERTAKE
BILATERAL CONTACTS WITH KEY DELS AND MAKE CONCRETE PRO-
POSALS FOR CONSULTATION PROCEDURES AT A FUTURE MEETING
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OF THE COUNCIL.
TURNER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, POLICIES, NEGOTIATIONS, TRADE AGREEMENTS, INTERNATIONAL ORGANIZATIONS, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 17 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OECDP07943
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760101-0028
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760352/aaaabtev.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 64134, 76 STATE 64133, 76 STATE 64135
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2004 by ElyME>; APPROVED <17 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SPECIALTY STEEL CASE
TAGS: ETRD, US, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006